

M I N U T E S

PLACER COUNTY DEFERRED COMPENSATION MEETING

**Thursday, September 13, 2001
Treasurer-Tax Collector's Conference Room**

In attendance:

Jenine Windeshausen, Treasurer-Tax Collector
Kathy Martinis, Auditor-Controller
Joan Frink, Alternate Retired Member Representative
Nancy Nittler, Personnel Director
Allen Klahn, Retired Member Representative
Sabrina Thompson, County Counsel
Gloria Coutts, County Executive Office

I. Call to Order

The meeting was called to order at 9:40 a.m.

II. Public Comment

None.

III. Hardship Request – Closed Session

None.

IV. Hartford Proposal – Review and Approve New Hartford Contracts

Thompson summarized the new contract with Hartford and what it means to Placer County employees.

Thompson explained that what Hartford has given Placer County is a form Group Funding Agreement. The terms of this agreement will change the annuity platform that we have now to a Net Asset Value based platform. Formerly negotiated contract changes have been duplicated in the Group Funding Agreement.

Changes to our contract are as follows:

1. We will now have a Net Asset Value based platform in place of the annuity platform.

2. The quarterly statements will reflect the fees being charged and the dividends being made.
3. There will no longer be a death benefit.
4. The program administrative expense will be lowered to .25 basis points from a range of fees, with the lowest currently being .60.
5. The threshold for elimination of the CDSC and any other fee is being lowered to \$65,000,000 for Placer County.
6. We will be able to track investments in the newspaper.

The other decision is the changing of our 401K and 457 plans to allow for all the benefit changes that went into effect with the New Tax Relief Act of 2001.

Windeshausen had a question about two Fidelity Funds showing a fee of .5 on an e-mail attachment from Hartford that was sent out to everyone. Thompson will get this clarified or corrected.

Motion to recommend that the Board authorize a member of the Committee to sign the Hartford contract with the new changes, and to appoint the second alternate retired member representative, Joan Frink, and to approve the 401K and 457 plan changes pursuant to the new IRS laws taking effect in 2002.
Coutts/Martinis/Unanimous (Klahn abstaining)

Windeshausen suggested that the Committee send a flier to all the employees explaining the new changes, along with a fee schedule from both Hartford and CalPERS so the employees will have a comparison. Information should also be sent about potential future reduction in fees from Hartford, the NAV and loss of the death benefit.

Martinis thought it would be a good idea to get clarification on the newly added investment options before sending anything out to the employees.

V. Adjournment

The meeting was adjourned at 10:15 a.m.